GOVERNMENT OF INDIA
FINANCE
LOK SABHA

UNSTARRED QUESTION NO:4308
ANSWERED ON:15.12.2000
RECOVERY OF BANK LOANS
Y.S. VIVEKANANDA REDDY

Will the Minister of FINANCE be pleased to state:

(a) whether the Government have considered and issued directions to the banks that they can take possession and sell securities without going to the court to recover the dues from the defaulters of the loans;

(b) if so, whether high power panel looking into this has also finalised the draft legislation for a new bill on force closure and asset recovery for banks and financial institutions;

(c) whether the Government have accepted the recommendations; and

(d) if so, by what time, they are likely to be implemented?

Answer

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI BALASAHEB VIKHE PATH) :

(a) and (b) No, Sir.

(c) and (d) The Expert Committee under the Chairmanship of Shri T.R. Andhyarujina, formerSolicitor General of India has inter aiia made recommendation for enactment of Law empowering banks and financial institutions for taking possession and sale of securities of defaulting borrowers without the intervention of the Court. A Working Group has been set up in October, 2000 to examine the recommendation and submit its report. The report is expected shortly.